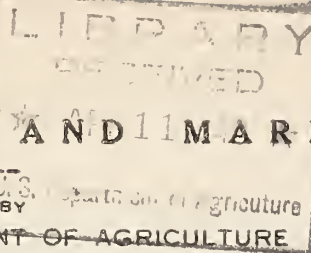


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## FOREIGN CROPS AND MARKETS

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## LATE CABLES . . . . .

Ireland livestock numbers January 1940, with 1939 comparisons in parentheses: Cattle 3,569,000 (3,586,000), sheep 2,256,000 (2,294,000), hogs 899,000 (820,000) including 103,000 sows (94,000). (Agricultural Attaché L. V. Steere, London.)

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QUALITY OF AUSTRALIAN WHEAT REDUCED

The Australian "fair-average-quality" standards for the 1939-40 wheat crop have recently been fixed in the principal wheat-producing States, according to the United States consulate at Sydney. Although a decline in quality is noted for all the States, the greatest was recorded in New South Wales, which accounts for the largest percentage of the total Australian crop. In the southern part of the State, where the bulk of the wheat is grown, the weather is said to have been unfavorable from seeding to harvest time.

AUSTRALIA: Wheat, f.a.q. standards, by States,  
1937-38 to 1939-40

State	Weight per imperial bushel		
	1937-38	1938-39	1939-40
	Pounds	Pounds	Pounds
New South Wales.....	64.00	64.50	63.25
Victoria.....	63.50	64.50	63.50
South Australia.....	63.00	64.50	64.00
Western Australia.....	63.75	63.75	63.50

United States consulate, Sydney. Standards fixed per imperial bushel, which is equal to 1.0315 United States bushels.

In Australia the types and varieties of wheat grown are not so varied as in this country. Most of the wheat is of the soft white type, similar to that of the Pacific Northwest. There is no grading system employed comparable with that of the United States. Wheat for export was formerly sold on a sample basis as is still customary when millers buy direct from farmers, but this proved impractical for dealing in large quantities. Now, it is customary for each of the principal wheat States to make up a composite sample from the wheat of the various districts. This is declared to be the f.a.q. standard for the particular State during the current season. The declaration, together with a portion of the sample wheat, is sent to the Baltic Exchange in London and becomes the basis for wheat transactions that season.

Final estimates, by States, of the 1939-40 wheat crop of Australia have not been received. Trade reports indicate a record outturn for the Commonwealth, but estimates received for the States total about 4 million bushels less than the high mark established in 1932-33 of 214 million bushels. Even with an outturn of this size, Australia will have to solve serious storage and transportation difficulties before its large exportable surplus can be marketed. (See Foreign Crops and Markets for March 9.) The chairman of the Australian Wheat Board announced on February 10 that a survey of shipping tonnage showed that nearly 4 million bushels had been shipped and space had been chartered for some 9 or 10 million bushels to be shipped during March-May.

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AUSTRALIA: Production of wheat, by States, average 1933-34 to 1937-38, annual 1938-39 and 1939-40

State	Average 1933-34 to 1937-38	1938-39	1939-40
	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>
New South Wales.....	53,065,800	59,398,000	76,000,000
Victoria.....	39,406,700	18,104,000	46,000,000
Queensland.....	3,378,800	8,584,000	6,700,000
South Australia.....	31,317,600	31,674,000	40,000,000
Western Australia.....	29,075,900	36,844,000	41,500,000
Tasmania.....	430,200	216,000	200,000
Federal Capital Territory.....	43,900	59,000	50,000
Total.....	153,718,900	155,379,000	210,450,000

Quarterly Summary of Australian Statistics, September 1939, and "The Wheat Situation in Australia," January 1940.

The appointment of a selling committee in Shanghai was announced on March 12, according to a cable from the United States Embassy at Sydney. The primary function of the committee will be to promote the sale of Australian wheat in North China. Any increase in flour sales resulting therefrom will, it is stated, be incidental.

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BELGIAN WHEAT EXPANSION RETARDED

Agricultural activities in Belgium have been greatly hampered by the adverse weather that has prevailed since November 1939, according to the Assistant Commercial attaché at Brussels. Part of the area intended for wheat could not be seeded, as a result of rain, snow, and frost. Farmers were urged by the authorities to get in touch with their district agricultural agents for information and to extend their wheat sowings as much as possible.

As a measure of protection considered necessary under war conditions, the Government inaugurated last fall a plan for expanding domestic wheat and rye production (see Foreign Crops and Markets, February 10), whereby it was hoped to increase bread-grain supplies. The plan has not only been difficult to carry out by reason of the unfavorable weather, but is reported to have been opposed by the farmers themselves. The price fixed for wheat appeared less advantageous than that for barley or other grain, and the shortage of labor resulting from military expansion was reported to be another obstacle to the realization of the Government's plan.

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### UNITED STATES CORN EXPORTS FAIR

Exports of corn from the United States during the first 5 months of the October-September 1939-40 marketing year totaled 22,992,000 bushels as compared with 23,654,999 bushels in the corresponding period of 1938-39. Nearly 70 percent of the corn shipped this season was destined for European markets, and even more if much of the corn entering Canada was for transshipment overseas. Although the United States corn exports to the United Kingdom were considerably smaller than in October-February 1938-39 and none were reported to France, Germany, and Poland, much larger amounts were exported to Ireland, the Netherlands, and especially Denmark.

UNITED STATES: Exports of corn by countries of destination,  
October-February 1939-40, with comparisons

Country	1937-38	1938-39	October-February		
			1937-38	1938-39	1939-40
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United Kingdom.....	27,865	11,287	12,124	8,589	5,345
Irish Free State.....	11,273	1,579	4,677	1,121	1,952
Netherlands.....	16,188	5,906	9,057	4,493	5,630
Denmark.....	2,783	125	1,440	a/	2,741
Belgium.....	4,915	303	2,445	257	53
France.....	80	382	56	249	-
Germany.....	13,889	180	2,500	180	-
Poland and Danzig.....	13	14	5	8	-
Canada b/.....	58,316	11,845	2,238	7,746	5,237
Mexico.....	882	1,445	5	738	807
Bermuda.....	11	11	6	6	5
Jamaica.....	4	a/	2	0	1
Brazil.....	268	a/	268	a/	-
Others.....	2,988	803	414	267	1,221
Total.....	139,475	33,880	35,237	23,654	22,992

Compiled from records of the United States Bureau of Foreign and Domestic Commerce. a/ Less than 500 bushels. b/ Includes corn for reexport.

From incomplete data now available regarding overseas shipments of United States corn during the past month, it appears that exports were above those of March 1939. If so, the total for the first half of the season will equal or exceed that of October-March 1938-39. The Argentine surplus for export, which was relatively small during the marketing season ended March 31, following the unusually small crop of 1937-38 and the below-average outturn of 1938-39, is now said to have been exhausted. Argentine exports have, in fact, been reduced since last October. With prospects for the 1939-40 crop, the harvesting of which is now nearing completion, pointing to an unusually large harvest, the United States will

meet increased competition when the movement of new-crop Argentine corn gets under way. Even with the high freight rates prevailing from Argentina to Europe (about double the price of the corn itself), Argentine corn is being quoted below United States corn at Rotterdam. In view of the long voyage, however, any scarcity of ocean tonnage or further increases in freight rates this season may offset to some extent, at least, the advantage accruing to Argentine corn by reason of the low prices at which it is being quoted.

Exports of United States corn usually show an upward tendency during the winter months. When the Argentine corn-marketing season opens in April, however, a marked falling off in United States shipments is noted. After decreasing in March or April, they sometimes tend upward again in May, June, and July.

UNITED STATES: Exports of corn, by months,  
October-September 1935-36 to 1939-40

Month	1935-36	1936-37	1937-38	1938-39	1939-40
	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>
October.....	6,184	22,577	157,592	4,069,148	5,516,608
November....	8,825	5,067	1,712,560	6,001,843	1,204,355
December....	6,106	6,412	3,862,165	3,691,517	5,278,982
January.....	15,767	16,549	13,254,284	7,210,138	5,241,900
February....	31,968	11,612	16,250,248	2,680,947	5,750,538
March.....	33,016	22,415	9,006,818	3,748,946	-
April.....	10,240	4,249	20,351,107	1,633,979	-
May.....	74,631	11,393	25,408,462	1,174,974	-
June.....	189,193	10,310	13,342,985	228,155	-
July.....	74,160	13,329	15,631,190	561,522	-
August.....	56,606	9,910	12,647,280	1,087,354	-
September...	4,310	2,212	7,850,222	1,791,226	-
Total.....	511,006	136,035	139,474,813	33,879,749	

Compiled from official records of the United States Bureau of Foreign and Domestic Commerce.

CUBAN RICE IMPORTS ABOVE PREVIOUS YEAR

Total rice imports into Cuba during 1939 amounted to 465 million pounds, according to unofficial returns reported by American Vice Consul Thomas S. Campen at Habana. Imports for 1939 were approximately 53 million pounds above those in 1938 but were about equal to the average for 1926-1930.

For the past 2 years the United States has been the most important source of imported rice, supplying slightly less than 50 percent. With

the advantage gained through the reduced import rate secured by reciprocal trade agreements, American rice exporters have been able to compete in price with oriental rice in the Cuban market during the past 3 years by adding substantial quantities of broken rice to the standard grades. United States rice imported into Cuba pays a duty of 84 cents per 100 pounds as compared with \$1.72 for rice from other countries except Siam, which is required to pay \$2.18 because it has an unfavorable trade balance with Cuba.

Production of rice in Cuba is relatively unimportant. Imported rice represents more than 90 percent of the total consumption.

CUBA: Imports of rice, average 1926-1930,  
annual 1935-1939

Country	Average 1926-1930	1935	1936	1937	1938	1939 a/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
United States.....	21	60	11	114	199	219
British India and Burma:	335	174	49	68	13	12
Siam.....	16	221	357	234	169	140
Indochina.....	3	16	22	73	30	93
Others.....	94	23	5	5	1	1
Total.....	469	494	444	494	412	465

Compiled from Comercio Exterior, Republica de Cuba.

a/ Preliminary, unofficial.

#### JAPANESE PURCHASES OF RAW COTTON DECLINE

The outlook for new purchases of American cotton by Japanese importers is not very encouraging at the present time, according to a radiogram received from the American agricultural attaché at Shanghai, based on a report from the American consulate general at Osaka. New purchases made during February, particularly of American, were reported to be much smaller than in previous months, as a result of the currently lessened activity of the Japanese cotton-manufacturing industry. Japanese importers, however, took full advantage of the American export subsidy the latter part of 1939, and the heavy commitments made at that time will continue to arrive in volume through March and April.

Export demand for Japanese cotton cloth has diminished to such an extent that spinners' unfilled orders are sufficient only to carry through mid-April, whereas raw-cotton stocks and commitments will be sufficient until the beginning of August if present market conditions continue. Prospects for improvement of export demand for Japanese cotton goods in the near future are not encouraging unless large-scale hostilities break out



in Europe. In view of the inability, thus far, of the Japanese cotton-textile industry to capitalize on the present wartime encumbrances of the European industries, it is not unlikely that estimates of total Japanese cotton consumption during the current season will later be revised downward. Consequently, the outlook for additional purchases of American cotton during the spring and early summer is considered poor.

JAPAN: Raw-cotton imports February 1940, with comparisons,  
(In bales of 478 pounds net)

Country of origin	February			September-February		
	1938	1939	1940 a/	1937-38	1938-39	1939-40 a/
	Bales	Bales	Bales	Bales	Bales	Bales
United States	65,653	86,782	80,935	166,925	485,413	424,502
India.....	70,004	81,698	61,508	190,633	549,490	378,768
Egypt.....	8,162	13,049	19,812	27,188	82,434	76,375
China.....	35,921	792	280	53,001	57,922	5,201
Brazil.....	330	17,880	3,375	101,878	165,299	113,931
Others.....	10,517	8,813	25,452	60,535	59,277	158,880
Total.....	190,587	209,014	191,362	600,160	1,399,835	1,157,657

Based on Japanese official and trade sources. a/ Preliminary.

The relatively small import figures for February are partly attributed to a lack of available shipping space and the congested state of customs warehouses. Considerable quantities of cotton in these warehouses are awaiting issuance of foreign exchange remittance permits to enable the mills to take possession. Substantial amounts also remain on lighters because of lack of space to unload it. A relatively large supply of Korean cotton reached the market during February from accumulated stocks. The shortage of cotton produced in the yen-bloc area is such that every effort is being made to utilize all available supplies.

Recent relaxation is evident in the ban on cotton-textile shipments to yen-bloc countries, which was part of the Japanese cotton-control system made effective on July 1, 1938. The acute shortage of raw cotton in Manchuria reported last month made some relaxation of the ban almost imperative. There was a conspicuous increase in shipments of cotton cloth to yen-bloc countries, particularly to China and Manchuria. The partial lifting of the regulations regarding shipments to China was attributed partly to the fact that some foreign exchange may be obtained indirectly from such shipments as long as Chinese currency remains freely exchangeable at Shanghai.

Total unsold stocks of cotton cloth in Japan are far higher than normal, and with the decline in export demand becoming more pronounced it is doubtful whether substantial quantities can be exported in the near future. Under the Japanese import-export link system, issuance of foreign-exchange

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permits for importation of raw cotton will be governed by the amount of exchange acquired from export sales of cotton manufactures. This factor, together with the depleted state of the foreign-exchange reserves of Japan, tends to lessen the possibility of these accumulated stocks being released for the domestic market.

The serious power shortage previously reported has been alleviated considerably by recent rains. Yarn production during February, however, was about 12 percent below that in January and 20 percent less than in February last year, largely as a result of restrictions on the supply of power. Nevertheless, reduced export demand for Japanese cotton textiles has relieved the necessity for materially increasing yarn production.

The competitive position of American cotton in Japan will be somewhat less favorable in 1940 if present price trends continue. Indian cotton prices have declined and the average spread between Indian and American at Osaka has widened from 20 percent in January to 27 percent in February.

Brazilian cotton is now much cheaper than at the same date last year and if sufficient shipping space is available it is expected that Japanese spinners will obtain large additional quantities of the new-crop Southern Brazilian cotton now beginning to enter the market.

Apparently no strong effort was made by the Argentine trade delegation, recently sent to Japan, to secure Japanese purchases of Argentine raw cotton, and it was not included in the final arrangements just concluded and made public.

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#### 1938-39 SOUTHERN BRAZIL COTTON CROP SLIGHTLY HIGHER THAN PREVIOUS YEAR

The final official estimate of the 1938-39 cotton crop of Southern Brazil was placed at 1,344,000 bales (of 478 pounds net) according to a cablegram received through the State Department from the United States consulate general at Rio de Janeiro. This figure is slightly higher than the record crop of 1,330,000 bales produced in 1937-38.

Excessive rainfall during February caused considerable damage to the 1939-40 cotton crop in the State of Sao Paulo, and it is believed that production will not exceed that of the previous year despite a substantial increase in the area planted. A drought in the early part of the season did some damage but this initial disadvantage was partly offset by subsequent rains, the greater acreage under cultivation, and the increased distribution of seed. The prolonged and heavy rains during February prevented effective combat of insect pests, and losses from this source will be higher this year than last.

BRAZIL: Cotton acreage, production, and exports, 1938-39,  
with comparisons  
(In bales of 478 pounds net)

Year	Southern States <u>a/</u>		Northern States <u>b/</u>		All Brazil		
	Acreage	Production	Acreage	Production	Acreage	Production	Exports <u>c/</u>
	1,000 acres	1,000 bales	1,000 acres	1,000 bales	1,000 acres	1,000 bales	1,000 bales
1930-31...	287	81	1,407	402	1,694	483	96
1931-32...	358	126	1,642	429	2,000	555	2
1932-33...	525	222	1,178	259	1,703	481	54
1933-34...	1,139	530	1,712	483	2,851	1,014	584
1934-35...	1,477	545	2,503	783	3,981	1,328	639
1935-36...	2,514	931	2,540	826	5,054	1,757	924
1936-37...	3,097	1,138	2,123	686	5,220	1,824	1,089
1937-38...	3,525	1,330	2,485	744	6,010	2,075	1,239
1938-39 <u>d/</u>	-	1,344	2,130	641	-	1,985	1,490
1939-40 <u>d/</u>	-	-	-	631	-	-	-

Compiled from official Brazilian sources.

a/ Includes southern zone of Bahia beginning with 1938-39. b/ Includes all Bahia until 1938-39, when southern zone was included with Southern Brazil.

c/ Calendar year basis, 1931-1939. d/ Preliminary.

BRAZIL: Cotton exports by countries of destination,  
1937 to 1939  
(In bales of 478 pounds net)

Country	1937	1938	1939
	1,000 bales	1,000 bales	1,000 bales
Europe.....	812	907	<u>a/</u> 878
Germany.....	391	377	301
United Kingdom.....	218	233	221
France.....	59	137	154
Italy.....	37	42	62
Netherlands.....	23	33	54
Belgium.....	28	35	33
Portugal.....	34	23	22
Poland.....	22	27	19
Orient.....	254	312	581
Japan.....	235	277	259
China.....	19	35	222
Others.....	23	20	31
Total.....	1,089	1,239	1,490

Compiled from Comercio Exterior do Brazil and current cabled reports.

a/ Includes 12,000 bales exported to Spain.



The greater part of the increase in exports was accounted for by larger shipments of Sao Paulo cotton. The most marked increase was registered in shipments to Japan and China, but Germany was an important market also because a majority of the crop had moved prior to the outbreak of war. Exports to the Orient have been relatively high during the past 2 years, and it is believed that a further increase in shipments to those countries would be possible in 1940, if sufficient shipping service should become available. Japan and China together accounted for about 39 percent of total Brazilian exports during 1939.

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#### WARTIME COMMODITY CONTROL MEASURES - COTTON

Previous reports on wartime control measures affecting the cotton trade and industry may be found in the issues of December 9 and 22, 1939, January 13 and 27, February 24, and March 2, 1940.

#### United Kingdom (Supplemental)

The Cotton Industry Act, passed on March 18, 1940, was designed principally to give statutory authority to the Cotton Board and to assist the industry's export trade. The Act provides for a levy, on raw cotton purchased for spinning, of 25 pence per bale of 500 pounds gross (42 cents per bale at official rate of exchange) from which to defray the Cotton Board's administrative expenses and to finance the activities of the Empire Cotton Growing Corporation, technical research, and research into market conditions overseas. The latter organization will receive 20 percent of the proceeds of this tax, which is equivalent to a tax in force since 1928 and used exclusively for Empire cotton-growing research. The objectives and general functions of the Board will not be changed materially except for the addition of a cotton section to the Export Council recently constituted for the purpose of more actively promoting exports of finished goods. It was indicated in the British press that, as a temporary and auxiliary measure to relieve a shortage of cotton yarn, about 1 million pounds per month would be imported from abroad. India was mentioned as the country with which negotiations are in progress.

#### France (Supplemental)

By a decree of February 21, 1940, the list of items under export prohibition since September 12, 1939, was extended to include the following types of cotton yarn: Pure cotton yarn, single or twisted, not prepared for retail sale; pure cotton yarn, warped; and yarn of mixed cotton, not prepared for retail sale. An order of the Minister of Commerce issued on February 22, 1940, created an advisory committee on cotton yarn exportation composed of representatives of the various sections of the cotton industry with an independent chairman.

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INTERNATIONAL TRADE IN COTTON

During the 6 months beginning August 1, 1939, the seven leading cotton-exporting countries shipped 36 percent more cotton than during the corresponding period a year earlier, but 5 percent less than on the average during this period of the 10 years, 1923-24 to 1932-33. The increase from a year ago was due principally to heavier shipments to the United Kingdom from the United States. Thus far during the current season, the United Kingdom has taken 31 percent of total world exports, as compared with 19 percent a year ago.

In view of the attention that has been given to the increase of United States exports over last season, it is of interest to compare exports during the current season with average shipments during the corresponding parts of the 10 years, 1923-24 to 1932-33. Total exports from the United States thus far during the current season are 17 percent below the average, and the share of the United States in the world total has fallen from 71 percent during the 10-year period to 62 percent during the current season. Of the five leading foreign markets for United States cotton during the 10-year period (Germany, the United Kingdom, Japan, France, and Italy), all but the United Kingdom took less than average during the current season. Exports to Germany have practically ceased; those to Japan are 27 percent below average; those to France 16 percent below; and those to Italy 23 percent. Some countries that are more important foreign markets during the current season than during the average period are Spain (an increase of 7 percent), China (59 percent), Belgium, Canada, the Netherlands, and Sweden (increases of 20 percent, 89 percent, 70 percent, and 354 percent, respectively). It will be noted that several European neutral countries are, during the current season, purchasing quantities of American cotton greatly above any preceding year.

Exports from Argentina and the Anglo-Egyptian Sudan, by principal countries of destination, for the first 5 months of the current cotton-marketing season are shown on page 409. This material has not been available for use in previous monthly analyses of international trade in cotton.

The figures for Argentina show a great decline in the importance of Germany as a market for cotton exports. The shrinkage of the German market has been only partially offset by an expansion in shipments to Italy, Spain, and the United Kingdom. Total exports, though reduced 39 percent from the high level of last year, continue to be 11 percent above the average during the six seasons, 1924-25 to 1929-30.

Cotton exports from the Sudan were also greatly reduced during the current season due to decreased purchases by the United Kingdom. The place of the United Kingdom as leading purchaser of Sudan cotton has been taken thus far this season by British India, which purchased 56 percent of total exports, although the absolute increase in Indian purchases over those of last year was slight.

During the August-January period of the current season, British India exported 907,000 bales of cotton compared with 1,044,000 bales a year ago and 1,066,000 bales during the 10 years 1923-24 to 1932-33, decreases of 13 and 15 percent, respectively. Japan, the leading purchaser, took 44 percent of British Indian exports, and the United Kingdom took 17 percent. China's purchases of 97,000 bales were well above last season's level and equal to the average for the 10 years from 1923-24 to 1932-33.

Shipments of 980,000 bales of cotton from Egypt thus far during the current season were 17 percent above the level of last season and 19 percent higher than the 10-year average. The United Kingdom and France, leading purchasers of the Egyptian fiber, took 36 percent and 16 percent, respectively.

Brazil's exports of cotton during the current August-January season, declined 24 percent from last season's level. The United Kingdom now leads both Germany and Japan as a purchaser of Brazilian cotton. Germany's share has fallen from 49 percent of the total two seasons ago to 13 percent so far this season.

COTTON: Summary of world exports, August-January, average 1923-24 to 1932-33, and seasons 1936-37 to 1939-40

Exporting countries	August-January				
	Quantity				
	Average 1923-24 to 1932-33	1936-37	1937-38	1938-39	1939-40
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
United States.	5,288	3,600	4,106	2,319	4,399
British India.	1,066	1,471	564	1,044	907
Egypt.....	827	1,054	1,008	836	980
Brazil.....	66	486	509	590	450
Peru.....	118	180	185	206	212
Argentina.....	40	109	15	69	57
Sudan.....	13	76	117	130	67
Total.....	7,418	6,976	6,504	5,194	7,072
	Percentage of total				
	Percent	Percent	Percent	Percent	Percent
United States.	71	52	63	45	62
British India.	14	21	3	20	13
Egypt.....	11	15	15	16	14
Brazil.....	1	7	8	11	6
Peru.....	2	3	3	4	3
Argentina.....	1	1	a/	1	1
Sudan.....	a/	1	2	3	1
Total.....	100	100	100	100	100

Compiled from official sources. a/ Less than 0.5 percent.

COTTON: Exports from principal exporting countries, August-January, average 1923-24 to 1932-33, and seasons, 1937-38 to 1939-40 a/

Destination of exports from principal exporting countries	August-January							
	Quantity				Percentage of total			
	Average				Average			
	1923-24 to 1932-33	1937-38	1938-39	1939-40	1923-24 to 1932-33	1937-38	1938-39	1939-40
Exports from the United States to	1,000 bales	1,000 bales	1,000 bales	1,000 bales	Percent	Percent	Percent	Percent
Germany*	1,254	588	216	20	24	14	9	b/
United Kingdom	1,227	1,272	300	1,401	23	31	13	32
France.....	619	664	315	519	12	16	14	12
Italy.....	430	357	184	331	8	9	8	8
Spain.....	195	0	2	208	4	0	b/	5
Belgium.....	122	144	66	146	2	3	3	3
Netherlands.....	92	95	49	156	2	2	2	4
Soviet Union ...	c/ 67	d/	0	0	1	b/	0	0
Sweden.....	40	66	62	186	1	2	3	4
Portugal.....	26	22	9	27	b/	1	b/	1
Poland & Danzig	12	150	105	5	b/	4	5	b/
Other Europe	39	145	233	154	1	3	9	3
Total Europe	4,123	3,503	1,537	3,153	78	85	66	72
Canada.....	121	153	136	229	2	4	6	5
Japan.....	828	241	549	601	16	6	24	14
China.....	181	d/	40	288	3	/	2	7
British India..	26	131	2	55	1	3	b/	1
Other countries	9	78	55	73	b/	2	2	1
Total.....	5,288	4,106	2,319	4,399	100	100	100	100
Exports from British India to								
Japan.....	516	194	552	397	48	34	53	44
Italy.....	132	42	38	17	12	7	4	2
China.....	97	29	65	97	9	5	6	11
Belgium.....	79	55	46	13	7	10	4	1
Germany.....	77	51	86	6	7	9	8	1
United Kingdom	63	86	108	156	6	15	10	17
France.....	50	22	48	93	5	4	5	10
Spain.....	22	0	0	e/ 0	2	0	0	0
Netherlands...	14	11	18	e/ 5	1	2	2	1
United States.	9	22	19	e/ 16	1	4	2	2
Other Countries	7	52	64	107	2	10	6	11
Total.....	1,066	564	1,044	907	100	100	100	100

\* Includes shipments through the free port of Bremen, much of which is afterward shipped to other countries.

Continued -



COTTON: Exports from principal exporting countries, August-January, average 1923-24 to 1932-33, and seasons, 1937-38 to 1939-40 - cont'd

Destination of exports from principal exporting countries	August-January							
	Quantity				Percentage of total			
	Average 1923-24 to 1932-33	1937-38	1938-39	1939-40	Average 1923-24 to 1932-33	1937-38	1938-39	1939-40
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	Percent	Percent	Percent	Percent
<u>Exports from</u>								
<u>Egypt to</u>								
United Kingdom....	337	331	248	352	41	33	30	36
France.....	108	149	83	161	13	15	10	16
United States.....	94	23	18	35	11	2	2	4
Germany f/.....	55	116	114	12	7	11	14	1
Italy.....	54	65	61	55	6	6	7	6
Japan.....	38	37	82	106	5	4	10	11
Switzerland.....	38	50	37	47	5	5	4	5
Spain.....	26	d/	1	9	3	b/	b/	1
Czechoslovakia....	17	32	31	1	2	3	4	b/
British India.....	11	84	42	38	1	8	5	9
Belgium-Luxemburg	9	10	7	e/ 5	1	1	1	1
Poland & Danzig...	6	18	22	3	1	2	3	b/
Other countries...	34	93	90	106	4	10	10	10
Total.....	827	1,008	836	980	100	100	100	100
<u>Exports from</u>								
<u>Brazil to</u>								
United Kingdom....	---	121	140	132	---	24	24	29
Japan.....	---	55	139	82	---	11	24	18
Germany.....	---	248	101	58	---	49	17	13
France.....	---	23	73	48	---	5	12	11
China.....	---	4	36	35	---	1	6	8
Netherlands.....	---	8	20	27	---	1	3	6
Belgium-Luxemburg	---	12	16	18	---	2	3	4
Italy.....	---	4	34	17	---	1	6	4
Portugal.....	---	19	8	15	---	4	1	3
United States.....	---	d/	0	2	---	b/	0	b/
Spain.....	---	0	0	2	---	0	0	b/
Poland.....	---	9	13	1	---	2	2	b/
Other countries...	---	6	10	13	---	b/	2	4
Total.....	h/66	509	590	450	100	100	100	100

- Continued



COTTON: Exports from principal exporting countries, August-January, average 1923-24 to 1932-33, seasons, 1937-38 to 1939-40 - Continued

Destination of exports from principal exporting countries	August - January							
	Average:				Average:			
	1923-24	1937-38	1938-39	1939-40	1923-24	1937-38	1938-39	1939-40
	to 1932-33				to 1932-33			
Exports from	1,000	1,000	1,000	1,000				
Peru to	bales	bales	bales	bales	Percent	Percent	Percent	Percent
United Kingdom..	--	106	118	131	--	57	57	62
Japan.....	--	4	6	21	--	2	3	10
Netherlands.....	--	4	13	17	--	2	7	8
Belgium-Luxem...	--	7	8	8	--	4	4	4
France.....	--	6	5	7	--	3	2	3
Germany.....	--	49	47	7	--	27	23	3
Italy.....	--	2	2	6	--	1	1	3
Chile.....	--	5	3	5	--	3	2	2
United States...	--	d/	0	3	--	d/	0	2
Other countries..	--	2	4	7	--	1	1	3
Total.....	h/118	185	206	212	100	100	100	100
August - December								
Exports from								
Argentina to								
Germany.....	i/ 6	12	50	15	15	84	73	36
Italy.....	i/ 2	0	0	7	5	0	0	16
United Kingdom..	i/ 19	0	2	6	50	0	2	15
Spain.....	i/ 4	0	0	5	10	0	0	11
Other countries..	i/ 7	3	17	9	20	16	25	22
Total.....	i/ 38	15	69	42	100	100	100	100
Exports from								
Sudan to								
United Kingdom..	9	53	69	15	96	50	60	26
British India...	d/	38	28	33	b/	35	24	56
Italy.....	d/	5	4	3	b/	5	4	6
France.....	d/	3	4	4	b/	3	3	7
Poland.....	0	3	1	d/	0	3	1	b/
Germany.....	0	2	d/	0	0	2	b/	0
Switzerland.....	0	1	2	2	0	b/	2	4
Other countries..	d/	1	7	2	4	2	6	1
Total.....	9	106	115	59	100	100	100	100

Compiled from official sources.

a/ Bales of 478 pounds net except for the United States and Peru which are 500 pounds gross. b/ Less than 0.5 percent. c/ Excludes Russia in Asia. d/ Less than 500 bales. e/ Four months, August-November. f/ Beginning January 1, 1938 includes Austria. g/ Five months, August-December. h/ Data not available by countries. i/ Six-year average, 1924-1929.

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PRODUCTION AND SALES OF SUMATRA-WRAPPER LEAF TOBACCO MAINTAINED

Sales of the 1939 crop of Sumatra-wrapper leaf tobacco, which are normally all made on the Netherland auctions, have been somewhat disrupted as a result of the war, but it is anticipated that the entire crop of about 25,000,000 pounds (export weight) will be marketed. It is also reported that plantings in 1940 will be sufficient to produce a crop comparable with that of 1939, according to American Consul John B. Ketcham at Medan.

Marketing the 1939 Crop

Sales from the 1939 crop through January were confined to approximately 1,740,000 pounds of the "American grades," which brought an average price of about 2.50 guilders (1.33) per pound. Approximately 1,100,000 pounds were sold in two lots, which comprised the entire 1939 production of American grades of two of the "Big-four" Sumatra producing companies. The sales were concluded at Amsterdam with an American cigar-manufacturing company on the basis of samples, the leaf to be delivered directly from Sumatra to the United States. An additional private sale involving about 160,000 pounds was concluded at Medan, and about 480,000 pounds were sold at auction in Medan. It was reported that most of the Medan sales have been for American accounts and it was anticipated that total purchases of leaf from the 1939 crop for export to the United States would exceed the purchases from the 1938 crop of near 2,000,000 pounds. It was reported that three or four more auctions of the American grades were to be held in Medan.

Sales of Sumatra-wrapper leaf on the Amsterdam and Rotterdam auctions in 1940 will include all but the American grades. Tobacco has not been placed on the British and French contraband list and shipment of leaf to the Netherlands from the 1939 crop began in January. It was planned to make three shipments per month until May. One of the January shipments, comprised of about 1,050,000 pounds, was on board the steamship Laertes, which struck a mine near the coast of England. The ship was able to reach a United Kingdom port, but it is not known whether the cargo of tobacco was damaged.

It is expected that Germany will again be the principal buyer of Sumatra leaf on the Amsterdam and Rotterdam auctions, and that their 1940 purchases may exceed those of 1939 of about 12,800,000 pounds. Payments for the leaf by Germany can be made from the relatively large balance in its clearing agreement with the Netherlands.

1940 Plantings

Production of Sumatra-wrapper leaf tobacco in recent years has been in the hands of seven plantation companies of which four have

produced approximately 95 percent of the total. The companies cooperate in restricting production and marketings of the leaf to quantities that can be sold at favorable prices. Acreages are controlled by an over-head organization and it is reported that the 1940 acreage, on which transplanting began in January, would be approximately equal to the 1939 planted acreage.

SUMATRA-WRAPPER LEAF TOBACCO: Production and imports  
into the United States, 1934-1939 crops

Item	1934	1935	1936	1937	1938	1939
	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>	<u>1,000</u> <u>pounds</u>
Production a/.....	28,353	28,490	30,229	31,202	30,392	b/25,000
Imports into the United States, year following produc- tion c/ .....	1,811	2,816	1,472	1,529	2,006	d/ 2,200

Compiled from official sources.

a/ Fermented weight. b/ Preliminary. c/ Storage-order weight.

d/ Forecast 1940 imports.

CONSUMPTION OF AMERICAN TOBACCO IN SWEDEN CONTINUES TO INCREASE

Larger quantities of American leaf tobacco and stems were used by the Swedish tobacco monopoly in 1939, and in addition imports of American cigarettes were about 24 percent larger than in 1938, according to reports from the American Legation at Stockholm. Most of the increase in utilization of American tobacco resulted from larger sales of domestically produced "American-type" cigarettes, which are a blend of American flue-cured, Oriental, and small portions of American burley leaf. Sales of smoking tobacco, which contains a substantial portion of American flue-cured, showed a small increase; but sales of snuff and chewing tobacco, which are made largely from American Kentucky and Virginia fire-cured leaf and stems, declined. Present indications are that the trend to greater utilization of products containing American flue-cured and burley leaf will continue through 1940, but that consumption of products containing fire-cured types will decline. It is also expected that imports of American cigarettes will decline.

Utilization in 1939 of American leaf tobacco and stems totaled 8,422,000 pounds, or 61.3 percent of all imported tobacco used in domestic manufacture, as compared with 8,093,000 pounds, representing 60.5 percent of total imported tobacco used in 1938. On the other hand, imports of American leaf declined from 8,044,000 in 1938 to 7,443,000 pounds in 1939



as a result of shipping difficulties during the latter part of the year. As a consequence, stocks of American leaf were reduced, but it is estimated that the end-of-year carry-over was not materially below normal. Any deficiency in the country's stocks of American leaf is believed to be amply covered by leaf held in the United States, as it is reported that purchases of American leaf by the Swedish monopoly in 1939 were the largest on record.

Imports of American cigarettes in 1939 totaled 545,000 pounds as compared with 439,000 pounds in 1938. The increase is especially significant in view of the fact that prices for imported cigarettes were increased twice during the year as a result of higher taxes, and further by the fact that the American products have to compete with lower-priced "American-type" cigarettes offered by the Swedish monopoly.

SWEDEN: Domestic utilization of imported leaf tobacco and stems,  
1935-1939

Origin	1935	1936	1937	1938	1939
	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds
American.....	6,853	7,616	7,922	8,093	8,422
Other.....	5,429	5,021	5,280	5,290	5,300
Total.....	12,282	12,637	13,202	13,383	13,722

Compiled from reports of Swedish tobacco monopoly.

MANCHURIAN SOYBEAN EXPORTS CONTINUE AT LOW LEVEL

Soybean exports from Dairen during January amounted to 1,300,000 bushels as compared with 6,300,000 bushels in the same month of 1939, according to a radiogram from the office of the American agricultural attaché at Shanghai, based upon a report from the American consulate at Dairen.

Exports during the first 4 months of the 1939-40 season (October-January) were at a low level because of the difficulty of making shipments to Germany, the principal market before the beginning of the European war. Small shipments are being made to other European countries but the volume this season is greatly reduced, due to the shortage of shipping space. Exports of bean oil to Europe are somewhat larger this season. During January it was reported that 3,300 short tons of oil were sold at approximately \$5.60 per 100 pounds, c.i.f. Europe, destined chiefly to Italy, Switzerland, and Spain.

Soybean arrivals at Dairen have been greatly reduced this season. In January, Dairen arrivals were approximately 4 million bushels, as



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compared with 9,800,000 bushels in January 1939. The low price that the monopoly has been paying farmers for soybeans is believed to be largely the reason for the smaller arrivals. The Government on February 17 increased the price offered to farmers from 74 cents to 90 cents a bushel.

Soybean stocks at Dairen at the end of January and exports from Manchuria during January are not available. Instructions have been given prohibiting divulging pertinent information, according to the consul's report. Some trade sources are of the opinion that the 1939 official crop estimate of 150 million bushels for the Manchurian soybean harvest may have been too large.

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#### FRENCH PREMIUM FOR OLIVE CULTIVATION FIXED

A decree law announced by the French Ministry of Agriculture, January 30, 1940, fixes the simple premium granted cultivators of olive trees at 0.345 franc (about 0.7 cent) per tree less the 10-percent levy instituted by the decree law of July 16, 1935. The original decree was put into effect April 7, 1932, but was amended on April 12, 1933, July 16, 1935, and October 3, 1935. The purpose of these decrees is to encourage growers to increase their plantings of olive trees and in turn eventually to increase production of olive oil, which has been slowly declining through the past 20 years.

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#### REVIEW OF THE 1939-40 CANADIAN APPLE SEASON 1/

The Canadian apple industry has been seriously affected by the war and, despite extensive Government assistance and marketing control measures, financial returns during the current season, July to February, have been low, according to a report from American Agricultural Attaché C. C. Taylor at Ottawa. Exports have been less than 50 percent of those in 1938-39, principally as a result of an agreement between Canada and Great Britain, under which Canadian exports of apples were limited to 50 percent of the average United Kingdom imports during the past two seasons. Domestic consumption has increased over a million bushels and diversion of fresh apples to processing has resulted in substantial increases of the Canadian production of these processed products.

The 1939 Canadian apple crop amounted to 15,623,400 bushels or around 50,000 bushels below production during the previous season. The crop was the third largest during the past two decades.

1/ For previous reports on Canadian apple-marketing developments, see issues of September 23, October 14, December 2, 1939; and March 16, 1940.

CANADA: Production of apples, by Provinces, averages 1926-1930  
1931-1935; annual 1936-1939

Year	British Columbia	Nova Scotia	Ontario	Quebec	New Brunswick	Total
	1,000 boxes	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 bushels
Average						
1926-1930..	4,022	1,170	651	128	30	9,959
1931-1935..	4,819	1,704	859	223	40	13,294
Annual						
1936.....	4,624	1,750	704	91	29	12,346
1937.....	5,798	2,250	745	177	44	15,446
1938.....	6,049	2,190	845	122	49	15,667
1939 a/ ....	5,825	2,212	866	134	54	15,623

Compiled from official sources. Boxes assumed to equal 1 bushel, and barrels 3 bushels.

a/ Preliminary estimate of October 25, 1939.

Exports of apples from Canada during the current season, August to February, have amounted to 3,718,800 bushels or only about 45 percent of shipments during the same period in 1938-39. Exports of boxed apples from British Columbia dropped less than 300,000 boxes, while the movement of barreled apples from Nova Scotia totaled only 361,400 barrels or about 21 percent of shipments last season.

CANADA: Exports of apples, by Provinces and months,  
August to February, 1938-39 and 1939-40

Month	1938-39				1939-40			
	Nova Scotia	Ontario	British Columbia	Total	Nova Scotia	Ontario	British Columbia	Total
	1,000 barrels	1,000 barrels	1,000 boxes	1,000 bushels	1,000 barrels	1,000 barrels	1,000 boxes	1,000 bushels
Aug....	1.8	0.2	7.5	13.5	0.2	0.4	2.1	3.9
Sept....	320.7	23.6	363.6	1,401.5	113.4	3.0	132.2	481.4
Oct....	397.3	27.5	1,027.6	2,302.0	85.7	6.6	632.0	908.9
Nov....	452.2	23.5	658.7	2,085.8	88.2	17.5	877.2	1,194.3
Dec....	151.3	1.9	354.2	813.8	21.5	11.3	403.1	501.5
Jan....	257.3	4.2	206.5	991.0	42.0	14.7	191.0	361.1
Feb....	145.8	6.0	121.9	577.3	10.4	5.7	219.4	267.7
Total	1,726.4	86.9	2,745.0	8,184.9	361.4	59.2	2,457.0	3,718.8

Compiled from Weekly Fruit and Vegetable Crop and Market Report, Canadian Department of Agriculture.

The drop in the volume of apple exports is principally the result of the restriction on shipments to the United Kingdom, which accounted for over 90 percent of Canada's apple exports in recent years. Exports from Nova Scotia have been further curtailed because of the shortage of adequate shipping space.

Since around 50 percent of the Canadian commercial apple crop has been exported in recent years, the reduction in shipments resulted in a large surplus of apples to be marketed in Canada. The Canadian Government initiated an extensive purchase- and marketing-control program early in the current season in an attempt to mitigate the serious situation that had developed as a result of the war and the prospective decline in exports.

CANADA: Proportion of commercial crop in specified Provinces  
exported to United Kingdom, to other European countries,  
and total exports, 1938-39, with comparisons

Season and Province	Proportion of crop exported		
	To United Kingdom	To other Europe	Total
	Percent	Percent	Percent
1938-39			
Nova Scotia.....	65.7	7.5	73.2
Ontario.....	12.7	0	12.7
British Columbia.....	45.5	2.5	48.0
Total.....	50.0	4.5	54.5
Average 1934-35 to 1938-39			
Nova Scotia.....	60.8	5.7	66.5
Ontario.....	10.6	0	10.6
British Columbia.....	39.0	1.3	40.3
Total.....	44.2	3.1	47.5

Compiled from official sources.

The processing of a large portion of surplus apples, particularly in Nova Scotia, which was provided under this program, has resulted in a tremendous increase in Canadian production of processed apple products. Over 5,500,000 bushels of apples are being processed in Canada this season, according to present indications. This is practically a three-fold increase over the quantity processed last year and twice that of the previous season.

CANADA: Volume of fresh apples processed, by provinces,  
July to June 1933-34 to 1939-40

Province	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40
	a/	a/	a/	a/	a/	a/	a/
	bushels	bushels	bushels	bushels	bushels	bushels	bushels
Nova Scotia.....	818	1,285	1,242	1,473	1,772	1,000	4,560
Ontario.....	800	318	445	375	530	500	600
British Columbia							
and others.....	149	209	328	359	467	350	400
Total.....	1,767	1,812	2,015	2,207	2,769	1,850	5,560

Compiled as follows: 1933-34 to 1937-38, official reports; 1938-39 to 1939-40, calculations by American Agricultural Attache C. C. Taylor.  
Apples used for canned apple sauce not included because of lack of data.  
a/ Rough approximation.



The bulk of Canada's exports of canned apples in the past have moved to the United Kingdom, while shipments of dried apples have been sent to several markets, including important quantities to Germany. Prior to February 1, between 35 and 40 percent of Nova Scotia's 1939-40 production of canned apples moved into export, but, according to present information, domestic and export sales of dried apples have been limited.

CANADA: Production and exports of canned and dried apples,  
July to June, 1933-34 to 1938-39

Year	Canned apples		Dried apples	
	Production	Exports	Production	Exports
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1933-34.....	8,778	5,325	3,818	3,372
1934-35.....	6,896	6,705	4,447	1,447
1935-36.....	9,174	7,586	4,484	1,230
1936-37.....	12,688	9,064	4,878	1,741
1937-38.....	15,898	10,859	6,025	2,805
1938-39.....	a/	15,074	a/	485
1939-40 b/ .....	41,800	-	9,000	-

Compiled from official sources.

a/ Not available. b/ Nova Scotia only. Preliminary estimate.

According to unofficial calculations, Canadian consumption of fresh apples will approximate 6,500,000 bushels, or about a million bushels more than the estimated consumption in 1938. The intensive advertising campaign carried out by the Dominion Department of Agriculture and the lower prices prevailing in domestic markets are chiefly responsible for this substantial increase in consumption.

The Dominion Government's subsidy on apples of export quality purchased by processors for the manufacture of dried or canned apples in Nova Scotia is expected to amount to around \$1,500,000. This subsidy, however, brings the return on such apples up to only 65 percent of the average return for the previous 3 years for apples of a corresponding grade. This grant does not apply to apples of No. 3 grade or lower, nor to apples used in manufacturing other apple products; and prices for such apples have been at low levels during the season.

Further, returns from apple exports have not been high when the higher shipping costs and loss on exchange are considered. It appears, therefore, that returns to Nova Scotia growers, despite the Government subsidy, are not likely to exceed 50 percent of the average return for the three seasons prior to the war.



The Government has also rendered financial assistance to growers in British Columbia, the other major exporting area in Canada. Originally, the Government planned to purchase 500,000 boxes of export varieties and sizes if unsold by the end of March. This scheme was altered in November. At that time the Government decided to set aside the funds originally planned to be used to purchase these apples to guarantee minimum returns for exports from British Columbia. It is not possible to estimate how much this subsidy will cost the Government, but present indications suggest that the amount will not be large since British Columbia growers have probably fared much better than those in Nova Scotia.

CANADA: Average apple prices per barrel,  
1935-36 to 1939-40 a/

Period	Nova Scotia	Ontario	British Columbia
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
1935-36.....	2.37	2.75	2.52
1936-37.....	1.70	2.85	2.82
1937-38.....	1.60	2.08	2.66
1938-39.....	2.40	2.06	2.42
1939-40 <u>b/</u> .....	1.30	1.51	2.25

Compiled from official sources. For seasons, 1935-36 to 1938-39, quotation represents seasonal average price including apples for processing. Figure for 1939-40 is the preliminary average price as of mid-December.

a/ 1 barrel equals 3 boxes.      b/ Preliminary.

Two major causes for anxiety regarding the 1940-41 season confront the Canadian apple industry. In the first place, the question arises as to whether the United Kingdom will grant Canada a substantial import quota such as was granted during the current season. And secondly, the abnormally heavy production of processed apples has raised the problem of finding market outlets for these products.

#### MEXICAN VEGETABLE EXPORTS HEAVY

Exports of Mexican winter vegetables to the United States during the first 2 weeks in March amounted to 5,479,000 pounds, or over twice the volume moved during the corresponding period in 1939, according to a report from American Vice Consul Thomas M. Powell at Nogales, Mexico. The heavier movement is the consequence of extensive cold damage in January to the winter-vegetable crops in Texas and Florida, which has severely curtailed domestic supplies of these vegetables.

MEXICO: Exports of winter vegetables to the United States,  
March 1-15, 1939 and 1940, and November 23-March 15,  
1938-39 and 1939-40

Vegetables	March 1-15		November 23-March 15	
	1939	1940	1938-39	1939-40
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Tomatoes.....	1,608	4,227	10,287	17,816
Green peas.....	581	454	2,382	2,620
Green peppers.....	110	711	1,412	2,618
Green beans.....	0	1	5	1
Eggplant.....	42	86	223	178
Total.....	2,341	5,479	14,309	23,233

American consulate, Nogales.

Exports of tomatoes during this period amounted to 4,227,000 pounds, or nearly three times the movement in 1939. The heavy tomato movement has resulted from good demand conditions in American markets. It has been estimated that around 60 percent of the exports in recent weeks were of good quality, 20 percent of fair quality, and the remainder have been wormy and affected, to some extent, with tomato rot. It appears, therefore, that Mexican growers are making every effort to dispose of their produce while favorable market conditions continue. According to trade reports, the peak of tomato shipments from the West Coast of Mexico is expected to be reached within the next 2 weeks, and, after that time, exports should show a gradual decline up to the end of the season (usually around the latter part of May).

Shipments of green peas were slightly below exports during 1939, and the peak of the marketing season has passed. Exports are expected to decline rapidly in the near future. Due to market conditions in the United States, growers of green peas have experienced an unfavorable season and extensive financial losses have been reported.

The movement of green peppers was almost seven times as heavy as shipments in 1939. The quality has been unusually good and prices have been favorable. Exports are expected to continue in volume until the end of May.

DANISH HOG NUMBERS ABOVE FEBRUARY 1939; BACON EXPORTS SMALLER

The recent Danish slaughter of large numbers of below-standard hogs, as well as of young pigs, is stated to be the immediate result of the relative decrease in British imports of Danish bacon, according to a cable recently received from the American Legation at Copenhagen. At the same time, Danish farmers have been requested to consume more pork in their own households.

As far as can be ascertained, the decrease in exports to the United Kingdom is principally the result of the British wartime control, since Danish hog numbers are larger than a year ago. The Danish bacon-export industry has been developed principally to supply the British market, and the United Kingdom up to the present has been practically the only market for Danish bacon. Live hogs and lard, however, have been marketed in Germany in increasing quantities recently.

Danish exports of bacon from the beginning of the year to March 17 amounted to only 75 million pounds, a decrease of 12 percent as compared with the same period a year ago. Since February 1 the decrease in exports, as compared with the same period a year ago, has been 25 percent.

In the first 4 months of the war period, September-December 1939, exports of bacon and pork from Denmark increased 6 percent above the same 4 months of 1938. Exports of live hogs in the same period, principally to Germany, increased over 80 percent, as compared with a year earlier. Exports of live cattle and beef also increased but those of dairy products, butter and cheese, were about the same as a year earlier. (See table, following page.) Imports of feedstuffs - grains and oil cake and meal - decreased materially during the war months with the single exception of corn.

DENMARK: Imports of grain and feedstuffs, September-December  
and total, 1938 and 1939

Item	Calendar year total		September-December	
	1938	1939	1938	1939
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Wheat.....	183.1	108.6	51.0	45.5
Rye.....	127.3	96.8	41.1	29.2
Barley and oats.....	81.5	1.3	3.5	-
Corn.....	325.2	157.1	25.6	40.6
Wheat meal.....	21.8	19.8	9.9	2.8
Total.....	738.9	383.6	131.1	118.1
Principal oil cake or meal:				
Cotton seed cake.....	384.7	353.6	130.3	94.6
Sunflower seed.....	124.4	136.7	37.9	31.4
Peanut.....	116.2	125.8	34.1	27.6
Flaxseed.....	16.4	7.6	5.3	2.6
Cocoonut oil.....	125.6	95.8	37.3	21.4
Soybean meal or broken beans	39.4	32.6	17.2	0.1
Others.....	38.7	44.2	10.9	8.1
Total.....	845.4	796.3	273.0	185.8

Statistiske Efterretninger, January 23, 1940.



DENMARK: Exports of livestock and livestock products,  
September-December and total, 1938 and 1939

Item	Calendar-year total		September-December	
	1938	1939	1938	1939
	1,000 head	1,000 head	1,000 head	1,000 head
Hogs.....	113.9	137.1	25.4	46.2
Cattle.....	134.1	163.2	35.6	65.9
Horses.....	14.3	15.4	3.5	3.7
	Million pounds	Million pounds	Million pounds	Million pounds
Pork.....	393.7	418.0	138.2	146.4
Beef and veal.	33.5	44.1	11.5	13.9
Butter.....	348.5	330.2	107.8	107.1
Cheese.....	20.1	21.2	7.1	7.9
Lard.....	23.1	19.2	7.1	5.3
	Million dozens	Million dozens	Million dozens	Million dozens
Eggs.....	77.9	85.7	25.2	26.9

Statistiske Efterretninger, January 23, 1940.

The falling off in the British imports of Danish bacon recently may be attributed to several factors: the desire to encourage production in the British Dominions, especially Canada, which resulted in the Anglo-Canadian Bacon Agreement <sup>1/</sup>; the expediency of negotiating treaties with the Danube Basin pork-exporting countries, and possibly other neutral countries; the conservation of foreign exchange; and the large supply of bacon and hams that had accumulated in the United Kingdom. This latter resulted from a combination of fairly heavy shipments from neutral countries at the end of 1939 and in early 1940, and the high price of bacon in the United Kingdom as fixed by the Ministry of Food. In order to cope with this situation British authorities issued an order, effective January 20, which prohibited imports of all types of bacon and hams except under license, reduced the maximum wholesale and retail price of bacon and hams by 2d. (3 cents United States currency) per pound, and doubled the weekly ration of bacon and hams.

Hog numbers in Denmark as of February 10, 1940, were reported at 3,040,000 head, an increase of 12 percent as compared with the corresponding estimate of 1939. Notwithstanding this increase in the total numbers of hogs, there was a decrease of 18 percent in young bred sows. Suckling pigs, however, showed an increase of 2 percent above a year earlier. Slaughter hogs of different weights were larger than in February 1939. Total hog numbers were smaller, however than in November and December. (See table, following page.)

Hog slaughterings in export houses in Denmark in the first 4 months of the war period amounted to 1,363,000 head, an increase of 8 percent

<sup>1/</sup> By the terms of this Agreement, Canada has agreed to supply up to 5,600,000 pounds of bacon and hams weekly to the United Kingdom or about 290 million pounds annually until October 31, 1940.

above the unusually small slaughter in those months of 1938. In the calendar year 1939 slaughter amounted to 4,073,000 head, an increase of 5 percent above the year 1938 but 6 percent below slaughter in 1937.

DENMARK: Number of hogs, February 10, 1940,  
with comparisons

Classification	Estimates for February 8-15				
	1935	1937	1938	1939	1940
	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands
Boars - 4 months and over.....	21	21	17	18	17
Sows in farrow - young.....	95	56	97	109	89
other.....	175	172	142	145	169
Total.....	270	228	239	254	253
Sows not in farrow - with litters...	96	84	60	77	80
barren.....	23	29	15	19	25
condemned.....	18	18	8	9	12
Total.....	137	131	83	105	117
Total sows.....	407	359	322	359	375
Suckling pigs.....	779	669	512	643	662
Slaughter hogs - under 77 pounds....	816	774	590	618	769
77 to 132 pounds...	722	682	607	571	659
132 pounds and over	518	519	523	505	558
Total hogs	3,263	3,024	2,571	2,719	3,040

Statistiske Efterretninger, March 6, 1940, and earlier issues.

DENMARK: Number of hogs slaughtered by export slaughter houses,  
1935-1939

Month	1935	1936	1937	1938	1939
	Thousands	Thousands	Thousands	Thousands	Thousands
January.....	448.8	338.2	420.8	317.4	356.4
February.....	267.4	286.4	296.2	321.3	304.5
March.....	361.3	411.7	439.0	339.6	361.1
April.....	334.6	352.2	329.0	355.3	301.9
May.....	397.9	357.2	360.9	317.0	320.8
June.....	362.4	340.1	343.6	352.4	361.6
July.....	395.4	283.6	348.6	268.4	301.3
August.....	367.8	348.2	360.6	377.9	402.2
September...	390.9	473.8	445.0	352.5	294.4
October.....	373.5	305.4	241.8	303.9	334.0
November....	300.6	392.2	368.8	313.2	377.3
December....	329.9	418.8	367.9	396.2	357.5
Year.....	4,331.0	4,507.8	4,322.2	3,915.1	4,073.0
Sept.-Dec.	1,394.9	1,590.2	1,423.5	1,265.8	1,363.2

Statistiske Efterretninger, February 21, 1940.

DENMARK: Hog numbers according to periodical estimates,  
1936-1940

Month	1936	1937	1938	1939	1940
	<u>Thousands</u>	<u>Thousands</u>	<u>Thousands</u>	<u>Thousands</u>	<u>Thousands</u>
January.....	3,223	a/	a/	a/	a/
February.....	3,263	3,024	2,571	2,719	3,040
March.....	3,354	3,059	2,729	2,724	-
April.....	a/	a/	a/	2,706	-
May.....	3,331	3,037	2,667	2,754	-
June.....	3,374	3,017	2,795	2,997	-
July.....	3,496	3,066	2,842	3,127	-
August.....	3,718	3,167	2,890	3,164	-
September....	a/	a/	a/	a/	-
October.....	3,669	3,089	2,846	3,192	-
November.....	3,516	2,981	2,761	3,230	-
December.....	a/	2,704	2,706	3,134	-

Statistiske Efterretninger.

a/ No estimate.

BUTTER: Price per pound in New York, San Francisco, Copenhagen,  
Montreal, and London, March 28, 1940, with comparisons

Market and description	March 30, 1939	March 21, 1940	March 28, 1940
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
New York, 92 score.....	24.0	28.5	28.5
San Francisco, 92 score.....	26.0	29.0	28.0
Montreal, No. 1 pasteurized a/.....	21.2	22.5	22.6
Copenhagen, official quotation.....	23.0	b/ 23.4	b/ 23.4
London, all sources c/.....	28.3	27.3	27.3

Foreign prices converted at current exchange rates.

a/ Quotation of following day converted at prevailing rate of exchange.

b/ Danish butter price to England f.o.b. Danish port made retroactive from November 1.

c/ Maximum wholesale price on all butter, importer to wholesaler, fixed by Government; fixed price in shillings converted to United States currency, equivalent at official rate of \$4.025. 1939 comparisons with best Danish.



COTTON: Price per pound of representative raw cotton at Liverpool,  
March 29, 1940, with comparisons

Growth	1940							
	February			March				
	9	16	23	1	8	15	21 a/	29
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
American -								
Middling.....	13.75	13.38	13.26	13.09	13.11	11.84	11.71	11.47
Low Middling.....	13.17	12.81	12.68	12.60	12.53	11.38	11.24	10.95
Egyptian (Fully Good Fair)-								
Giza 7 .....	17.61	17.39	17.44	17.07	17.07	16.20	16.37	15.67
Uppers.....	16.90	16.71	16.85	16.52	16.53	15.83	16.11	15.39
Brazilian (Fair)-								
North.....	13.42	13.05	12.93	12.85	12.78	11.61	11.55	11.25
Sao Paulo.....	14.00	13.63	13.50	13.42	13.19	11.99	11.86	11.54
Indian -								
Broach (Fully Good) - ....	12.22	11.73	11.74	11.67	11.62	10.64	10.47	10.20
Central Provinces								
(Superfine).....	12.26	11.85	11.85	11.78	11.73	10.74	10.65	10.33
Sind (Fine) - .....	11.50	11.09	11.33	11.26	11.21	10.33	-	-
Peruvian (Good) -								
Tanguis.....	15.74	15.36	15.23	15.14	15.06	13.77	-	-

Converted at current exchange rates.

a/ Thursday's price due to holiday, Friday, March 22.

UNITED STATES: Exports of cotton to principal foreign markets, annual  
1937-38 and 1938-39, and August 1-March 28, 1938-39 and 1939-40 a/  
(Running bales)

Country to which exported	Year ended July 31		August 1-March 28	
	1937-38	1938-39	1938-39	1939-40
	1,000 bales	1,000 bales	1,000 bales	1,000 bales
United Kingdom.....	1,630	478	404	1,708
Continental Europe.....	3,049	1,791	1,521	2,179
Total Europe.....	4,679	2,269	1,925	3,887
Japan.....	729	905	755	757
Other countries.....	542	394	267	782
Total.....	5,950	3,568	2,947	5,426
Linters.....	278	206	152	228
Total, excluding linters..	5,672	3,362	2,795	5,198

Compiled from the Weekly Stock and Movement Report, New York Cotton Exchange.

a/ Includes linters.

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